

Message Text

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13

ACTION EB-11

INFO OCT-01 NEA-14 ISO-00 SP-03 AID-20 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 /131 W

----- 116941

R 150447Z JUL 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 0237

UNCLAS KUWAIT 2972

EO 11652: NA

TAGS: EIND, EFIN, KU

SUBJ: FOREIGN INVESTMENT CLIMATE AND STATISTICS

REF: A) STATE 149452; B) KUWAIT A-44, 4/1/73; C) KUWAIT 1445

1. IN GENERAL, CONDITIONS REMAIN SAME AS AT TIME OF TRANSMITTAL
REF C. FACTUAL CHANGE IS IN AMOUNT US INVESTMENT IN KUWAIT.
SINCE REF B, KUWAIT HAS TAKEN OVER SIXTY PERCENT OF KUWAIT OIL
COMPANY. THIS, PLUS NORMAL DEPRECIATION OF "NEW BOOK VALUE",
PROBABLY REDUCES BOOK VALUE OF US INVESTMENT IN KUWAIT TO
APPROXIMATELY DOLS 100 MILLION.

2. SECOND CHANGE IN EARLIER REPORTING IS ONE OF DEGREE. CLIMATE
FOR US INVESTMENT AND BUSINESS IN KUWAIT NOW PROBABLY BETTER
THAN IT WAS IN 1973. KUWAITIS EAGER TAP AMERICAN (AND EUROPEAN)
EXPERTISE, AND JOINT VENTURE AND MANAGEMENT CONSULTANCY PROPOSALS
ABOUND. WHILE KUWAITIS GENERALLY HAVE SUFFICIENT CAPITAL TO
FINANCE MOST NEW PROJECTS IN MANY CASES THEY SEEKING FOREIGN
PARTNER TO PROVIDE TECHNICAL EXPERTISE. IN MANY OF THESE CASES
THEY PREFER THE FOREIGN PARTNER HAVE SOME EQUITY PARTICIPATION,
ALTHOUGH THE RESTRICTION AGAINST MORE THAN 49 PERCENT FOREIGN
OWNERSHIP STILL APPLIES.

STOLTZFUS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT OPPORTUNITY REPORTS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT02972
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740188-0605
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740749/aaaabpwb.tel
Line Count: 60
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A) STATE 149452; B) KUWAIT A-44, 4/1, /73; C) KUWAIT 1445
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 02 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 OCT 2002 by ThomasVJ>; APPROVED <16 JAN 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN INVESTMENT CLIMATE AND STATISTICS
TAGS: EIND, EFIN, KU, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005